

(Washington, DC)— Congresswoman Gwen Moore today fought for a solution for Milwaukee homeowners whose mortgage bank neglected to pay their 2005 property taxes on time. Moore sent a letter to Commissioner of the Internal Revenue Service (IRS) Mark Everson requesting that the IRS use its administrative authority to take action on behalf of 2,600 Wells Fargo Home Mortgage customers living in the City of Milwaukee. Otherwise, these homeowners will unjustifiably suffer increased income tax liability as a result of the mortgage lender's negligence.

The letter explained that Wells Fargo had failed to pay property tax payments out of the accrued escrow accounts of its Milwaukee customers to the City of Milwaukee prior to December 31, 2005. As a result, thousands of taxpaying residents in Congresswoman Moore's district may no longer be eligible to claim what would otherwise likely be the largest tax deduction on their 2005 tax return.

"Without the deduction, these families face the possibility of sizable tax liability or a reduced tax refund payment," said Congresswoman Moore in the letter. "Many of my constituents, among them low-income residents and senior citizens who live on a fixed income, depend on their tax refund to survive."

Congresswoman Moore requested the IRS issue a revenue ruling to enable these constituents to claim their property tax payments on their 2005 federal tax returns in spite of Wells Fargo's negligence in making timely payments, contending that the situation constitutes a sufficient basis for the IRS to implement a regulatory solution. The affected Milwaukee homeowners had been paying into Wells Fargo escrow accounts earmarked for property tax payments throughout 2005, doing their part to pay their property taxes within the appropriate timeframe. Moore argued that Wells Fargo's failure should not result in penalties to individual homeowners.

Congresswoman Moore also requested that in the event that a revenue ruling is not possible in this case, the IRS should instead agree to extend private letter rulings to each taxpayer who has been affected by this situation, similarly allowing them to claim the deduction on their 2005 returns.

Bank statements received by the affected customers indicated that property taxes were paid by Wells Fargo Home Mortgage on December 29, 2005. However, Wells Fargo did not actually make these payments until January 10, 2006. Verification of the payment date for income tax

purposes is determined by the date on the property tax receipt, which in this case is January 11, 2006. IRS regulations require property taxes to be paid before the end of the year in order to claim the deduction.

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